GOVERNMENT OF INDIA
FINANCE
LOK SABHA

STARRED QUESTION NO:284
ANSWERED ON:08.12.2000
GDP GROWTH RATE
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Will the Minister of FINANCE be pleased to state:

(a) whether it is a fact that the World Bank President during his recent visit to India has expressed serious concern over the low level of investment and the projected drop in the GDP growth rate; and

(b) if so, the details thereof and action proposed by the Government to check the slow down of the GDP ?

Answer

FINANCE MINISTER (SHRI YASHWANT SINHA)

(a) & (b) : A statement is laid on the table of the House.

Starred Question No.284 for 8.12.2000 regarding GDP Growth Rate.

a) & b) : While President, World Bank did not express views on investment and growth in official discussions, he is reported to have spoken to the Press on the subject on November 13, 2000. While observing that the country`s poverty alleviation measures were `admirable`, he said: `There is a slight cause for worry about the level of investment and drop in the growth rate. However, the growth rate of 6 percent is still good when compared on an international basis`.

Economic growth measured in terms of increase in real Gross Domestic Product (GDP) accelerated from 5 percent in 1997-1998 to 6.8 percent in 1998-99 and is estimated at 6.4 percent in 1999-2000. As per the Quarterly Estimate of GDP released by the Central Statistical Organization, overall real GDP growth is estimated at 5.8 percent in the first quarter of 2000-2001.The trends in the economy are closely monitored and reviewed and appropriate measures taken in the light of emerging trends as and when necessary. Various economic reform measures and steps undertaken by the Government both on the wider front and sectoral front are expected to have a favourable impact on the economy.